

Reconsideration and allowance of the above-referenced application are respectfully requested.

Upon entry of the amendment, amended claims 2, 4-6, 10, 12-14 and 17 and newly-presented claims 21-56 will be pending in this case. Claims 1, 3, 7-9, 11, 15, 16 and 18-20 have been canceled.

Claims 1, 2, 9, 10 and 17-20 were once again rejected as being unpatentable over Applicant's admitted prior art in view of Hinata et al. Claims 3-8 and 11-16 were rejected over Applicant's admitted prior art in view of Hinata et al., and further in view of Spruijt, also previously cited.

Claims 1, 3, 7-9, 11, 15, 16 and 18-20 have all been canceled, thereby obviating the rejections thereto. The remaining dependent claims 2, 4-6, 10, 12-14 and 17 have been rewritten so as to depend from corresponding newly-presented independent claims 21 and 24.

Independent claims 21 and 24, as well as further newly-presented claims, 22, 23 and 25, each recite features which are neither taught nor suggested by Applicant's admitted prior art, taken alone or in combination with any of the cited references.

In particular, each of the independent claims recites applying or adhesively bonding a non-conductive or weakly conductive material to a side edge of a counter substrate and a

side edge of a TFT substrate. The bonded material prevents static charge from generating at the side edges of the counter substrate as well as the TFT substrate. Pixel TFT breakdown is avoided by the elimination of this static charge.

Another important distinction is embodied by a control circuit provided within and in contact with a sealing material. The effect of this structure is to reduce the packing area and enhance device reliability. This sealing material is inside the side edges of the counter substrate and the TFT substrate (see Fig. 9 of the specification).

The above-described benefits cannot be realized by conventional construction. A control circuit is typically provided in contact with a sealing material and disposed between a pair of substrates in a structure such that the aligned side edges of the sealing material and the substrates are aligned by cutting the sealing material and the substrates together. The inventors have found that such an alignment technique results in stress being applied to the sealing material during the cutting. As a result, the control circuit is subject to imputed stresses. Applicant's prior art and the Hirata both suffer from such stresses. The invention eliminates stresses by virtue of the sealing material being provided inside the side edges of the 
counter substrate and the TFT substrate, as claimed.

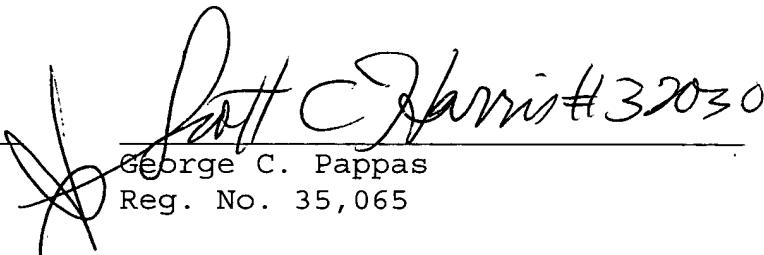
The Spruijt device teaches an IC-crystal 9 in non-contact co-location with a sealing rim 13. This results in a gap (or space). By eliminating this gap, packing area increases. Spruijt does not therefore address the stress problem in non-gap configurations.

In view of the above amendments and remarks, therefore, each of the independent claims 7 and 21-25, along with their dependencies, should be in condition for allowance. A formal notice to that effect is respectfully solicited.

If there are any charges, or any credits, please apply them to Deposit Account No. 06.1050.

Respectfully submitted,

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